

on. That's what Americans do, and that's what we're going to have to do.

**Q.** Can you help out, Mr. President, without busting the budget?

**The President.** Oh, I think so. Keep in mind all these emergency appropriations do come as emergencies, that is, outside the budget. But you should be encouraged that since January because of our efforts to reduce the deficit in the next 5 years, because they've been successful, long-term interest rates have dropped rather dramatically. And our deficit this year is more than \$20 billion less than it was estimated to be when I took office.

So while a few billion dollars will add to it in this year, it will still be lower than everyone thought it was going to be, and it will not in any way affect the 5-year deficit reduction program now moving through Congress. So the people of Iowa don't need to feel guilty about taking this money; that's what it's there for. We've always done this. I think there is enormous bipartisan support in the Congress for this. There is no sense that this is something that should be held hostage to the budget negotiations. And we're going to do just fine on that, I think.

**Q.** Mr. President, you were here 10 days ago. What are the differences now than 10 days ago when you were in Davenport?

**The President.** A lot more water over more of the State and a lot of residential and business damage in addition to the agricultural damage. It is very substantial, and it changes the mix of what our responsibilities are. It also makes it a little more difficult to calculate right now, so we will ask in this bill that will go before the Congress for a significant amount of money, several hundreds of millions of dollars in contingency appropriations, over and above anything we've proved in direct damages, because we can't know for sure at this moment, and we won't know next week, although we care for every last eligible disaster loss. And that's very different from the way it was before.

Thank you very much.

NOTE: The President spoke at 11:33 a.m. at the HyVee Food and Drug Store in the South Ridge Shopping Center. A tape was not available for verification of the content of these remarks.

## Interview With Jan Mickelson of WHO Radio in Des Moines

July 14, 1993

**Mr. Mickelson.** Mr. President, 1040 WHO Radio, KLYF-FM, and TV-13 welcomes you to Iowa and the Nation's heartland. Thank you for coming.

You spent the morning and the midday touring the wreckage and the damage, flood damage. Give us some of your impressions, sir.

**The President.** I did have the opportunity to tour, first of all, by helicopter. I spent about a half an hour flying over the Des Moines area, and then I stopped in a supermarket lot where water was being distributed. I talked to people who had lost everything in their houses, they've lost their businesses, people who obviously have had their farms flooded out. It was a very moving thing. I talked to parents who were worried about their children and whether they could get adequate water and how they were going to do that safely. And some of them had been able to send their children to relatives in other communities; some had not.

But the spirit of the people seemed pretty undaunted. Several people broke down, and they were very choked up, but they were resolute. And I think that, as terrible as these things are, in some ways they bring out the best in people. I saw an enormous number of people who had just stopped their lives and come in to volunteer and help other people deal with their problems.

I will say this: This is a different sort of emergency than I saw 10 days ago when I came to Iowa and Illinois. It's gone beyond the flooding of farmland, obviously, to the destruction of a lot of homes and businesses and the public safety issue here with the water. Your people I think have done a very good job working with the Federal agencies and the State people, and I was very impressed by that.

I guess we ought to just do a rundown, since we have people listening to us from other States. We know now that there have been five States declared disaster areas: Iowa, Illinois, Missouri, Wisconsin, and Minnesota. We also have Federal officials in

South Dakota, Kansas, and Nebraska reviewing the damage there.

A lot of people here are clearly and justifiably concerned about these losses. And I want to make just two or three comments about that. First of all, just before I came on this program I talked to the Director of our Office of Management and Budget, Leon Panetta, and authorized him to send today to the Congress a bill to provide emergency help to the families, the farmers, the businesses, and the communities who have been hurt by the rains and the flooding along the Mississippi River and its tributaries.

The bill will initially ask for about \$2.5 billion in disaster funds, based on preliminary estimates of damages and several hundred million dollars in what are called contingent appropriations. That is, if the damages come through, the money can be released; if not, then it's not released and doesn't go against the spending. We expect that the damages, frankly, the compensable damages will be greater than that. And in the next 4 or 5 days we expect to be modifying that bill some. But we felt it was very important to go ahead and get the bill in, start it through the congressional process. And over the next 4 or 5 days we'll be getting more hard estimates of damages in, and it can be modified, first in the House and then in the Senate. After that, if further modifications are needed, we will be able to go back and ask the Congress to do more.

The principle, the operative principle here, ought to be that the people who have been hit by this disaster should not be treated any differently than people who were victims of Hurricane Andrew, Hurricane Hugo, the terrible devastation on the island of Kauai in the State of Hawaii. We ought to treat everybody the same.

Let me just make one other point in addition to the aid. I want to compliment the work that has been done at the local level and by the Federal agencies here. The Secretary of Agriculture, Mike Espy, has been here three times. The Director of the Federal Emergency Management Agency, James Lee Witt, has been here extensively. He was just complimented at the Hy-Vee parking lot here because the hospital needed some water

purification equipment, and he produced it within 24 hours.

You've got the Departments of Transportation and Commerce and Housing and Urban Development, Health and Human Services, the Small Business Administration, the Corps of Engineers, the Coast Guard, and National Guardsmen from all over working hard here. So I have been very impressed with that, and we're going to keep doing that.

I want to say a special word of commendation to FEMA and to the Director, James Lee Witt, because they have really worked hard to cut through the redtape. I got asked a lot of questions in the crowd today at the parking lot, and there must be people all over this Mississippi River area asking those questions. So let me say that you can go to a disaster assistance center set up by FEMA, and they'll give you one-stop shopping. That is, if you have some problem that is not necessarily covered by the Federal Emergency Management Act, if you just show up there, they'll work you through the system and what's there. We're going to have, I think, a coordinated and effective as well as a compassionate effort.

So those are the two things I wanted to say. For the people here who still have questions about where they are and what they need, go to the disaster assistance center. Secondly, I'm going to send the bill up to the Congress this afternoon and urge them to move in a speedy way. When I say \$2.5 billion, let me emphasize there's probably another \$1 billion in ongoing appropriations of the Congress which can be used to deal with the agricultural and other losses here, just money that's already out there that we'll just reprogram for the hard-hit areas. And as we get more disaster estimates in over the next couple of days, if it's warranted—and I think it will be, based on what I've seen and heard—we will modify the figures upward.

But I want to say, again, I've been very impressed. This has been a particularly moving experience for me and for the Vice President and for our families because so many of these towns that were hit were on the bus tour that we took last year. And when I've looked at these towns and I've seen what's happened, so many of them, you know, particularly along the river, in East St. Louis and

Hannibal and Wayland and Keokuk and Fort Madison, Burlington in this State, Muscatine, Davenport, Bettendorf—we visited all those places. We visited Prairie du Chien and La Crosse in Wisconsin. So I've met a lot of the people that have been hurt by this flood, and I just want you to know that we're going to do everything we can to be there and be a good partner. And if there are more things that should be done. I want the people to let us know through FEMA.

**Mr. Mickelson.** I had a chance to speak with one of Iowa's congressional delegation last night, Senator Grassley, who was most appreciative that this has been a bipartisan effort, and he wanted to have me make certain to pass on to you how much he appreciated being included today, as well as the Republican side of the aisle.

**The President.** It rains on all of us, you know.

**Mr. Mickelson.** Yes, on the just and the unjust, I think the Good Book says. [*Laughter*]

**The President.** That's right.

**Mr. Mickelson.** The second thing is, this \$2.5 billion you're talking about—and you implied that it will be left somewhat open-ended—we won't even know for sure the extent of the damage, especially the crop-related damage, until fall when we figure out what is left of the wreckage. Will that also be included as part of this package?

**The President.** Well, some of that will be. Some of the fall's money, I think, will have to come out of the next fiscal year, maybe. But keep in mind, that may be a wash on the Federal budget, because the more crop land that's taken out of production, the more you'll have some upper pressure on prices, and probably less crops in the loan program. So while we'll spend more Federal money in some senses on these crop losses, we'll spend somewhat less in other areas. And we're just going to have to work that through as we go along.

Some of that money will be covered under existing Federal law. Some of it will be covered probably by the next fiscal year. Some of it, we may have to come back in for another supplemental appropriation. We're just going to have to play it by ear because we literally won't know. Senator Grassley and

Senator Harkin were both commenting, along with your congressional delegation today and of course Governor Branstad, who is a farmer, they were all saying we won't know the full extent of the farm losses until the fall. And so we'll play it by ear, and as they become evident, we'll do what's appropriate.

**Mr. Mickelson.** The way it was handled in Hurricane Andrew, we'll try to duplicate that? Some cases, the matching funds, requirements from the States and localities was waived in the case of Hurricane Andrew. Will that be the case here in Iowa?

**The President.** In some cases they were, on a case-by-case basis. I've asked the FEMA Director, James Lee Witt, to look at that. FEMA has gotten some good publicity for a change, and I'm glad to see that in the course of this. Part of it is, the Director was not only the director of emergency assistance in our State, but before that he was a local official. So I think we're pretty sensitive about what can and can't be paid. We're prepared to look at that, but we should look at it under the law. We have to look at it on a case-by-case basis, and we will.

**Mr. Mickelson.** Mr. President, joining us via our live line from the scene of more flood damage around and along the Mississippi River is Anne Keith from KMOX Radio in St. Louis. Anne, we'd like to welcome you to WHO and to our listeners.

**Anne Keith.** Good afternoon, and good afternoon, Mr. President.

**The President.** Good afternoon, Anne.

[*At this point, Ms. Keith asked about flood insurance reform and the length of response time.*]

**The President.** The consensus is that we've had a more rapid response this time than in previous ones. And I think the reason is that we do have a very high level of coordination here among the agencies. We do have some problems with flood insurance. We've got some real problems with crop insurance, and I think there's a real consensus about the fact that we have to reform the crop insurance system and some of what ought to be done about it. On the flood insurance, I think that's something else we'll have to look at. But I think that we're getting pretty

good marks this time for getting out ahead of the curve on the disaster coordination. And if you have any other specific ideas about what we should do, I'd be glad to have them.

**Mr. Mickelson.** Also joining us from our live line from Minneapolis from radio station WCCO is Steve Murphy. Steve?

*[At this point, Mr. Murphy asked for assurance to farmers of the adequacy of Government relief.]*

**The President.** I think we know enough about what the size of the problem on the farm side's going to be that I can clearly give you that assurance. The real problem we've got is that the crop insurance program itself has some serious shortcomings. And we're going to have to move in and reform that and, in the meanwhile, try to hold as many of these farmers short of total destruction as we can. We're working on it very, very hard.

Secretary Espy has used and will continue to use every bit of flexibility that he has under the present law to try to save as many farmers as possible and to try to deal with the individual situations that we face. As I said earlier, a lot of the people working on this disaster have dealt with this kind of thing, flooded farms and flooded towns and these kinds of problems. And Mike Espy represented a farm district in Mississippi before he became Secretary of Agriculture.

We are determined to do everything we can to minimize the damage and to try to keep these farmers farming. And we're going to do the best we can.

**Mr. Mickelson.** Do you visualize a formula?

**The President.** What do you mean?

**Mr. Mickelson.** Is it possible for the Federal Government to restore everything 100 percent?

**The President.** Well, I don't think so. It's not possible to restore everything 100 percent because some of these programs are loan programs. But there are a lot of things that can be done. I believe, with the flexibility the Secretary has asked for that will keep these people farming. And that's our goal now, to try to help put people's lives back together and keep the farmers farming. And I think we'll do that.

**Mr. Mickelson.** We want to include our listeners in this mix, Mr. President, and we have asked our listeners to call us from all over the State with questions, flood related. But I'd like to just use the privilege I have as a talk show host to ask you a personal question of my own, if you don't mind. What gives you your greatest pleasure as a President, flying around in Air Force One or being able to preempt Rush Limbaugh, as we're doing right now?

**The President.** Oh, the latter. That's not even close. *[Laughter]*

**Mr. Mickelson.** I figured it wouldn't. Let's talk to some of the——

**The President.** Actually, my greatest pleasure being President is when you do something that you think affects people's lives in a positive way. There is so much in public life——

**Mr. Mickelson.** Would you include category B in that category? *[Laughter]*

**The President.** Perhaps only because of the purpose for which I'm here today.

*[At this point, a participant asked how disaster assistance costs would affect deficit reduction.]*

**The President.** Well, I think this particular one has a fairly happy answer, but let me give you the general argument. The thing that has gotten our budget in trouble are on-going trends. Particular disasters that do, frankly, increase spending on a one-year basis have not contributed in any significant way at all to the Government's deficit problem. And I think that there is a general feeling in the country, and certainly in Washington among people of both parties, that when something like this happens you have to put the people first.

Now, in this particular case, while I will ask for \$2.5 billion in budget authority, and it may go up based on the real losses, it's happening in this budget year where our deficit is more than \$20 billion less than we thought it was going to be in January. Because there's been a serious debate in the Congress and an effort that is progressing to bring the deficit down dramatically, long-term interest rates have dropped. And as they have dropped, the cost of carrying the debt has gone down. And some other expenses we

thought we would have, have not materialized. We've had about one million new jobs in the economy, for example, since January. So our deficit this year is projected to be over \$20 billion less than we thought it was going to be, so that while this will cut into that, at least we'll still wind up way short of where it was projected in January.

**Mr. Mickelson.** Every county in the State of Iowa is on your list now, eligible for disaster relief.

**The President.** Every one.

**Mr. Mickelson.** I can't remember that ever occurring in midwestern history. What about you, sir? This is just—

**The President.** It's very—

**Mr. Mickelson.** —devastating.

**The President.** We've never had a time, for example, in my State—which has more tornadoes per capita than any State and where we've had a lot of flooding—we've never had all our counties on disaster relief. And this is highly unusual.

[A participant asked if Federal troops could help with sandbagging and water relief efforts.]

**The President.** Well, if we need them, we can provide some, certainly. But so far, it's my understanding that the National Guard and the other human resources are sufficient for that at this time. If we need more, we can provide more. We've made it clear. The FEMA Director, James Lee Witt, knows that basically that's a high priority, and if they need more bodies, more help, that we'll try to provide it.

[A participant asked if water levels set by the Corps of Engineers could be changed to prevent future floods.]

**The President.** Mitzi, let me just say for the benefit of the listeners, Lake Ouachita and Lake Hamilton are two of the three lakes around Hot Springs where I grew up. So she and I are from the same place more or less.

The answer to your question is, yes, some more can be done for some of these communities, but a lot of this flooding occurred in the 100-year flood plan, that is in areas that are projected to flood only once every 100 years. And the Governor told me today that some of this water was 4 feet above the 100-year level. It is often very difficult and quite

expensive to protect beyond the 100-year flood plain.

But I do believe what should happen is that, as we get the water down and we manage that process, all the communities affected need to look at what their flood protection is and to analyze whether more needs to be done. There clearly are some communities that had virtually no protection at all and that were vulnerable well below the 100-year flood level. And I think that just needs to be a community-by-community assessment. And we, of course, will work with all of them.

So my short answer to you is yes, I think the Corps can help some of the communities, but I do not believe that any reasonable effort would have forestalled all of the damage here. This was an unusual flood. It will be more than a century in all probability before anything remotely like this occurs again.

[A participant asked how soon Congress would act on disaster legislation and suggested an investigation of Corps of Engineers water management practices.]

**The President.** Thank you. Let me answer you the first question first. I think that Congress will move very quickly on this. As I said, I authorized the bill to be sent up there today to start the legislative process. We want it frankly, to take a few days because we want to get the latest damage estimates. We'll know a lot more about 6 days from now than we know today. So if that bill needs to be amended in any way, we can amend it in the process. But by starting today, we ought to be able to move it through, I would say, in just a couple of weeks, and then the money would be released virtually immediately.

Also keep in mind, some of the funds which are emergency funds, like emergency help to people who have lost everything, been wiped out of their homes, that come through the FEMA programs, there's already money associated with that. I want to emphasize that again. A lot of the money that can be used to deal with this emergency may be already appropriated and in that sense may not in any way increase the deficit or cause any problems. But a lot of the funds will have to be done over and above that.

Now, with regard to the Corps of Engineers, let me say that you're the first person who has mentioned that to me. I'll be happy to look into it. We had a horrible flood in my State and lost a couple of little towns completely. I mean, they were totally underwater, and they lost a lot of farmland a couple of years ago. And there were all kinds of questions about whether the Corps of Engineers back up the river had managed the dams properly. But I had——

**Mr. Mickelson.** Same questions are occurring now.

**The President.** Same questions. And they're legitimate questions, and they can be looked into. But I have to tell you again, I want to say that when water gets 4 feet higher than the 100-year flood plain, it's almost impossible to conclude that some technical decision back up the river could have made a big difference. I think that it's worth looking at. I think we should look at all aspects of this. But I think that it is unlikely that that made a major contribution to this problem.

[A participant asked about the Red Rock area and about assistance for people in the restaurant business.]

**The President.** First of all, I didn't go down that far, but I did talk to some people about it. There are a couple of problems. One is how to manage the outflow of water from the dam. The other is, to the extent we have any control over it, how to drain all this flooded farmland between here and the Mississippi River. See, you've got these tributaries that cause all the flooding around Des Moines, but you've got about a—well, from here to the Mississippi River you've got a whole swath of land that is totally flooded. So it's like you've got another big lake here that's 3 miles wide at its widest point. And to whatever extent we can control that, that needs to be drained in a way that doesn't just throw all the water back in at once and then down on the folks down river. So all that will have to be managed very carefully and by people who are expert in doing it.

Secondly, with regard to the restaurant business, for the people who work there and the people who own it, you should check in at the disaster assistance centers and ask essentially about two things. One is what kind

of Small Business Administration programs are there to help you, because there are some, and they are pretty significant. I think you'll find them pretty significant. And secondly, for the people who work for you who may have lost everything in terms of their ability to earn any income for a significant period of time, there are some individual disaster assistance programs that might be available to help them. And at the disaster assistance center, they can give you all that information.

**Mr. Mickelson.** The cliché question is like this, Mr. President: Could you please cut spending first right after you send us the \$3 billion? Talk to us about this. How will you be able to justify this level of expenditure to people who live in New Jersey?

**The President.** Because it might happen in New Jersey someday, Because it happened in Florida and Louisiana and South Carolina with Hurricanes Andrew and Hugo. Because you just can't stop nature from taking its course, and we can't afford to paralyze the American people on this.

And let me just back up and say I don't want to get into a political discussion on the budget today unless you wish to do so. I'll be happy to. But let me just point out to the American people who are listening to this, over the next 5 years, if this budget passes, we will have a hard freeze on non-health-care-related domestic spending. That means every dollar we increase Head Start by or we spend more on technology or spend to help people in California, for example, to convert from defense cuts to domestic economy and opportunities, will be made up for by cuts everywhere else. We have cut agriculture. We have cut veterans costs. We've cut all kinds of things in this budget to actually flatten that spending.

So you've got a decline in defense spending, flat domestic spending. The only increases in this whole budget for the next 5 years net are increases in Social Security and other income-related programs and increases in health care costs, which are still going up at 9 percent a year while inflation is about 3 or 4. And that's the next big challenge for our administration. But believe me, we've got \$250 billion plus in cuts there now, and we ought to keep them there. But we can't not

deal with this disaster or some other disaster for fear of having it go up just a little bit. [A participant requested cooperation from private lending institutions in the coming years to help farmers recover from their losses.]

**The President.** Well, let me make two points, if I might. First of all, you characterized what happened in the eighties rather well. We had a lot of droughts in the eighties, but we also had, as you well know, a huge amount of farm debt out there which had been taken out when there was inflation, rising prices, rising land prices, and high interest rates. And then when commodity prices collapsed in the eighties, a lot of farmers couldn't finance that debt. And it took about 5 years for the Federal Government to agree on a bipartisan basis on a farming refinancing system, which then the private lending institutions could plug into. I think that provided for forbearance, for example, and other things.

I think you've got a lot of that out there now. There are also some real options that every farming State in this country has to try to help the lending institutions deal with the farmers. We won't go through all the details, but we do.

The next thing I would like to say to you, however, is that we are working aggressively to try to change the regulatory environment in which small business and agriculture live and relate to the federally insured financial institutions, the private banks. And I think that over the next year you will see a significant increase in credit offered to businesses and to agriculture because of this changing regulatory environment.

**Mr. Mickelson.** Mr. President, we're out of time here. On behalf of KMOX Radio in St. Louis, WCCO Radio in Minneapolis, WHO Radio here in Des Moines, along with KLYF-FM and TV-13, thank you for coming and sharing your thoughts and visiting the heartland. I appreciate it.

**The President.** Thank you.

NOTE: The interview began at 1:30 p.m. at WHO Studios.

## Letter to the Speaker of the House on Flood Disaster Assistance

July 14, 1993

Sir:

I ask Congress to consider expeditiously the enclosed requests for emergency FY 1993 supplemental appropriations. These requests provide for emergency expenses arising from the consequences of the recent heavy rains and flooding along the Mississippi River, particularly in the Upper Midwest. I ask further that the legislation in which these funds are provided be kept free of extraneous matters in order that there may be a minimum of delay in providing necessary funds to the disaster areas.

I hereby designate the following requests as emergency requirements pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended:

- Department of Agriculture, Commodity Credit Corporation, Commodity Credit Corporation fund: \$600,000,000;
- Department of Agriculture, Agricultural Stabilization and Conservation Service, Emergency conservation program: \$20,000,000;
- Department of Agriculture, Soil Conservation Service, Watershed and flood prevention operations: \$25,000,000;
- Department of Defense—Civil, Corps of Engineers, Flood control and coastal emergencies: \$45,000,000;
- Department of Housing and Urban Development, Community Planning and Development, Community development grants: \$3,000,000;
- Department of Transportation, Federal Highway Administration, Federal-aid highways: \$100,000,000;
- Department of Transportation, United States Coast Guard, Operating expenses: \$5,000,000;
- Small Business Administration, Disaster loan program account: \$70,000,000; and
- Federal Emergency Management Agency, Disaster relief: \$550,000,000.

The details of these requests are set forth in the enclosed letter from the Director of the Office of Management and Budget. I